



**Testimony by Douglas M. Paterson MPA
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**Before the Senate Health Policy Committee
Senator Jim Marleau, Chair
November 3, 2011**

Good afternoon Mr. Chair and members of the committee. My name is Doug Paterson and I am here today representing the 32 community health center organizations in Michigan (also called Federally Qualified Health Centers or FQHCs). These organizations operate 185 community owned and operated delivery sites across Michigan, providing comprehensive medical and dental services to nearly 600,000 Michigan residents. These organizations form an essential component of the State's safety net and are on the front lines of Michigan's health care delivery system. They serve the most vulnerable populations in Michigan's rural and urban communities. All of the Health Centers are located in medically underserved areas or serve medically underserved populations. In fact, three out of four (3/4) of the Michigan residents Health Centers serve are either uninsured or on Medicaid.

SB 693 is of particular interest to the Community Health Center network because so many of the people they treat are uninsured and will benefit from an insurance exchange in Michigan. A major portion of these patients have jobs, but their employers do not provide health insurance benefits or don't offer benefits at a price they can afford. We believe implementation of the MI Health Marketplace in Michigan will allow market forces to work more effectively by creating competition among insurers and providers, spreading risk among the pool of people to be insured, and helping to mitigate against skyrocketing premiums. We are before you today because we believe it is imperative to pass authorizing legislation immediately that will begin to create the structure in Michigan through which purchase of insurance for individuals and small businesses can be better organized.

We have three compelling reasons for our request:

- 1) Unless Michigan is prepared to implement an exchange by June 30, 2012, our state will be ineligible for federal funding to design and operate an exchange. Without such funding, our state will likely abdicate responsibility for design and operation of the exchange to the federal government. This could mean that the feds will likely be dictating eligibility and information systems requirements, which could have sizeable impact on Michigan processes and current IT systems. It also means jobs that would be created to operate the exchange in Michigan will likely be created elsewhere.**
- 2) The Information Technology requirements to implement the exchange will be massive. It just took the state's Medicaid program four (4) years to implement its new information management system (CHAMPS). To successfully implement a more expansive effort in 14 months will be next to impossible if we don't begin immediately. Important decisions need to be made now in Michigan to have the exchange be effective for our State.**
- 3) While some people have warned you to "go slow", the slower we go in getting the structure and decision making authority in place, the less time we will have to actually design the exchange. It seems prudent to get the structure in place and identify the people who will be making important decisions to allow sufficient time for dialogue, research and design to get it as right as possible. If we delay, we will have to do the same amount of work in shorter amount of time likely leading to mistakes.**

We believe Senate Bill 693 should be passed now so planning efforts can begin as soon as possible. We would ask each of you to support this bill.